

## Message Text

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PAGE 01 STATE 276348  
ORIGIN EB-08

INFO OCT-01 EUR-12 IO-13 ISO-00 L-03 FRB-03 OMB-01  
ITC-01 SP-02 AGRE-00 AID-05 CIAE-00 COME-00  
INR-07 LAB-04 NSAE-00 OIC-02 SIL-01 STR-05  
TRSE-00 CEA-01 SS-15 USIE-00 SSO-00 INRE-00 /084 R

DRAFTED BY EB:JLKATZ:JO

APPROVED BY EB:JLKATZ

-----028630 180228Z /72

O 180138Z NOV 77

FM SECSTATE WASHDC

TO USMISSION GENEVA IMMEDIATE

INFO AMEMBASSY BONN IMMEDIATE

AMEMBASSY BRUSSELS

C O N F I D E N T I A L STATE 276348

USEEC

E.O. 11652: GDS

TAGS: UNCTAD, ETRD

SUBJECT: FRG CONCERN ABOUT COMMON FUND NEGOTIATIONS

1. FRAUS STEEG TELEPHONED KATZ TODAY ON BEHALF OF ECONOMICS MINISTER COUNT LAMSDORF TO INQUIRE HOW FAR U.S. PREPARED TO GO ON "OTHER MEASURES". SHE INDICATED THAT THEIR EC PARTNERS WERE CLAIMING THAT U.S. CONTEMPLATING A MOVE ON THIS ISSUE WHICH GO BEYOND CURRENT GROUP B POSITION. SHE MAINTAINED THAT FRG WAS OPPOSED TO GIVING COMMON FUND "OWN RESOURCES".

2. KATZ DESCRIBED U.S. PROPOSAL RE "OTHER MEASURES" WHICH USDEL INSTRUCTED TO DISCUSS WITHIN GROUP B. HE STRESSED THAT WE DID NOT CONTEMPLATE GIVING COMMON FUND  
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PAGE 02 STATE 276348

A ROLE BEYOND COORDINATION AND OVERSIGHT PLACING PRIMARY RESPONSIBILITY FOR DEVELOPING PROPOSALS AND PROJECTS WITHIN ICAS AND FINANCING WITHIN EXISTING FINANCIAL INSTITUTIONS. HE SAID THAT WE COULD NOT CONTEMPLATE VOLUNTARY CONTRIBUTIONS SINCE COMMON FUND ROLE WITH RESPECT TO "OTHER MEASURES" WOULD NOT REQUIRE THAT IT HAVE OWN FINANCIAL RESOURCES.

3. FRAUS STEEG SAID THAT FRG WAS OPPOSED TO DISCUSSING VOLUNTARY CONTRIBUTIONS IN ADVANCE OF DELINEATION COMMON FUND'S ROLE WITH RESPECT TO "OTHER MEASURES" MOREOVER THIS WOULD BE FOOT IN DOOR AND SUBJECT NON-CONTRIBUTORS E.G., GERMANY TO PRESSURE TO CONTRIBUTE. THIS STATEMENT IS AT VARIANCE WITH GENEVA TEL 10486 WHICH IN PARA 4 INDICATES THAT FRG AMONG OTHERS COULD IN END ACCEPT VOLUNTARY CONTRIBUTIONS.

4. TURNING TO BUFFER STOCK FACILITY, FRAUS STEEG ASKED WHETHER WE CONTEMPLATED ANY DIRECT CONTRIBUTIONS TO COMMON FUND. KATZ RESPONDED NEGATIVELY BUT DID INDICATE THAT WE WERE EXAMINING POSSIBILITY OF RESERVE LOSS FUND. HE STRESSED, HOWEVER, THAT WE HAD NOT REACHED ANY DECISION ON WHETHER TO PROPOSE THIS AND WOULD NOT DO SO IN ADVANCE OF CONSULTATIONS WITH FRG AND OTHER GROUP B COUNTRIES. VANCE

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** POLICIES, FUND ALLOTMENT, TRADE, NEGOTIATIONS, DEVELOPMENT PROGRAMS  
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**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Document Number:** 1977STATE276348  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** JLKATZ:JO  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Review Markings:**  
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